(b) Yes, Sir.

(c) and (d) A proposal has been submitted to the World Bank for financial assistance for the development of tea industry. World Bank have desired to hold further discussions with the Govt. and have requested for a comprehensive working paper on the proposed project.

Expanding Trade Relations with Sri Lanka

2030. SHRI RAHASBIHARI BARIK: Will the Minister of COMMERCE be pleased to state:

(a) whether Government have any proposal to expand trade relation with Sri Lanka;

(b) if so, the areas in which Indo-Sri Lanka trade is going on at present;

(c) the new areas identified for the expansion of Indo-Sri Lanka trade; and

(d) the details thereof?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI P. CHIDAMBARAM): (a) There is no specific proposal as such, but efforts to expand trade relations with Sri Lanka are pursued on an ongoing basis.

(b) Major items of India's export to Sri Lanka include transport equipment, cotton yarn, fabrics & made-ups, machinery & equipments, manufactured goods, drugs & pharmaceuticals, iron & steel, rice, oilmeals, and fruits and vegetables; and major items of India's import from Sri Lanka consist of natural rubber, metal scrap, iron & steel and products, spices, leather, and chemicals.

(c) and (d) At the recently held meeting of the India-Sri Lanka Sub-Commission on Trade, Finance and Investment, the Sri Lankan side requested, and the Indian side agreed to consider, extension of preferential trading arrangements for imports from Sri Lanka of several identified items?

Indo-Bhutan Trade Relations

2031. SHRI RAHASBIHARI BARIK: Will the Minister of COMMERCE be pleased to state:

(a) whether steps have been taken by Government to expand Indo-Bhutan trade relations;

(b) if so, the areas identified therefor;

(c) whether any new trade agreement has been signed by both the countries; and

(d) if so, the details thereof?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI P. CHIDAMBARAM): (a) and (b) There is traditional free trade and commerce between India and Bhutan, aimed at unhindered expansion of bilateral trade.

(c) In order to provide further continuity to the Agreement on Trade and Commerce between India and Bhutan upon its expiry on 1 March, 1995, the two Governments have signed its slightly modified version valid for a period of 10 years starting from 2 March, 1995.

(d) As before, the Agreement provides for: free trade and commerce between the two countries — barring certain restrictions such as for the protection of industries in Bhutan or on entry of goods of third country origin, Bhutan's trade with third countries in transit through Indian territory; bilateral trade to be transacted in local currencies, annual refund in respect of excise duties on goods exported to each other; and mutual consultations.

Effect of Import of Palm Oil on price of Coconut Oil

2032. SHRI SUNDER SINGH BHANDARI: Will the Minister of COMMERCE be pleased to state:

(a) how much has the free import of